

# **CORRECTED FISCAL NOTE**

## **SB 221**

May 5, 1999

**SUMMARY OF BILL:** Increases the workers' compensation maximum weekly benefits to sixty-six and two thirds percent of the employee's average weekly wage up to one hundred ten percent of the state's average weekly wage for injuries occurring on or after July 1, 1999 and sixty-six and two thirds percent of the employee's average weekly wage up to one hundred twenty percent of the state's average weekly wage for injuries occurring on or after July 1, 2000.

### **ESTIMATED FISCAL IMPACT:**

On February 12, we issued a fiscal note on this bill indicating an estimated impact of *Increase State Expenditures – Exceeds \$100,000/Claims Award Fund; Increase State Revenues – Exceeds \$100,000, and Increase Local Govt. Expenditures – Less than \$100,000.*

The fiscal impact of this bill, based upon the receipt of additional information from the State Treasurer's Office, is estimated to be:

**Increase State Expenditures – Less than \$100,000/Claims Award Fund**  
**Increase State Revenues - Exceeds \$100,000**

**Increase Local Govt. Expenditures - Less Than \$100,000**

Estimate assumes:

- Increased expenditures to the Claims Award Fund as a result of increasing maximum workers' compensation benefits from 100% of the average weekly wage to 110% effective July 1, 1999 and to 120% effective July 1, 2000.
- Increased revenue resulting from an estimated increase in the 4% premium tax and the 4% surcharge applied to workers' compensation premiums.
- Workers' compensation premiums will increase providing a larger tax base. Revenue collected from the 4% premium tax is distributed 50% to the Second Injury Fund and 50% to the General Fund. Revenue from the 4% surcharge is earmarked for TOSHA.
- Increased local government expenditures resulting from an estimated increase in premiums or claims paid.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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